



October 9, 2015

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 Twelfth Street S.W.  
Washington, D.C. 20554

Re: Alaska Communications Systems, Notice of *Ex Parte* Communication,  
CC Docket No. 02-60

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Dear Ms. Dortch:

Pursuant to the requirements of Section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206, Alaska Communications Systems ("ACS") hereby discloses that, on October 7, 2015, Colin Underwood, Healthcare Program Manager, and I, on behalf of ACS, met with Ryan Palmer, Division Chief, Radhika Karmarkar, Deputy Division Chief, Elizabeth McCarthy, Regina Brown, and Dana Bradford of the Telecommunications Access Policy Division, Wireline Competition Bureau ("Bureau"). During that meeting, we discussed three pending appeals of decisions of the Rural Health Care Division ("RHCD") of the Universal Service Administrative Company ("USAC") to deny funding for services supported by the rural health care universal service support mechanism for telecommunications services.

First, ACS urged the Bureau to grant the appeal filed by Annette Island Service Unit ("AISU") of the denial of funding for 9 Mbps MPLS service its received during Funding Year ("FY") 2012.<sup>1</sup> AISU upgraded its service from 3 Mbps to 9 Mbps MPLS during FY2012, and timely filed a Form 466 funding request relating to the 3 Mbps MPLS service. AISU erroneously believed that this funding request would cover the entire funding year, and therefore it did not file a second Form 466 relating to the portion of the year that followed the upgrade to 9 Mbps. ACS urged the Bureau to permit an administrative change to AISU's timely Form 466 to permit it to include both the 3 Mbps and the 9 Mbps service on the form or, in the alternative, to waive the FY2012 filing deadline to permit AISU to file a second Form 466 covering the 9 Mbps service.

In conjunction with this discussion, ACS urged the Bureau to use available tools to enable service providers to be more informed and involved with the Form 466 and 467 filing processes. Greater service provider involvement would reduce the risk of similar errors, and facilitate earlier filing of these funding requests. In many cases, small rural health care providers ("HCPs") face severe resource constraints and high rates of personnel turnover, which creates an environment ripe for errors in making all the required USAC filings both correctly and timely. Service providers, whose trained staff members are more familiar with rural health care program requirements, should be permitted to begin Form 466 and Form 467 filings in MyPortal, for completion and review by its HCP customer. In addition, we requested that USAC copy the

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<sup>1</sup> Letter from Bryan Bell, Annette Island Service Unit, CC Docket No. 02-60 (filed Oct. 31, 2014).

service provider when sending information requests, filing receipts, or other correspondence to its HCP customer, so that service providers can offer any helpful support.

*Second*, ACS requested that the Bureau grant the appeal filed by AISU of the denial of funding for its 9 Mbps MPLS service during a portion of FY2013.<sup>2</sup> RHCD denied funding for the portion of FY2013 prior to the allowable contract date of AISU's FY2013 Form 465. But, because AISU's service contract was signed for FY2012 and met the RHCD requirements for evergreen treatment, no FY2013 Form 465 should have been necessary. Confirming that the contract should have been placed in evergreen status, RHCD granted evergreen treatment to AISU's contract during FY2014. ACS urged the Bureau to direct RHCD to afford the contract evergreen treatment for FY2013 and, by doing so, commit funding for the entire funding year.

As part of this discussion, ACS urged the Bureau to create greater uniformity and consistency with the administration of the evergreen contract review process at USAC. The RHCD's evergreen criteria form a low bar that virtually any service provider contract should meet.<sup>3</sup> Nevertheless, ACS has noticed wide variability in the outcome of RHCD's evergreen review of its service contracts, with some being granted evergreen status in the first year, some receiving it only in subsequent years, and some not at all, despite the fact that it used virtually the same form agreement in all cases. ACS suggested that the RHCD (1) permit HCPs or service providers to self-certify compliance with the evergreen criteria, perhaps including cross-references to the location of each of the six evergreen elements in the contract; or (2) to adopt the E-rate model, where multi-year contracts and those including voluntary extension periods are accepted, as long as the applicant includes a request for such features in its original Form 470 (analogous to the Form 465 under the rural health care support mechanism).

Given that, at present, many contracts that are eligible for evergreen treatment do not receive it, at least not in their first year, ACS also requested that the Bureau direct USAC to commit a full year of support for any service delivered under a binding multi-year contract, so long as the HCP issues a Form 465 at any point during the funding year. An HCP under a binding multiyear contract does not represent a very significant competitive opportunity for service providers, and the requirement to issue a Form 465 is often an elevation of form over substance.

*Third*, ACS urged the Bureau to grant the appeal filed by Ilanka Community Health Center ("Ilanka") of RHCD's denial of funding for its MPLS service during a portion of FY2012.<sup>4</sup> During the funding year, Ilanka moved its service location 0.4 miles within Cordova,

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<sup>2</sup> *Rural Health Care Support Mechanism*, CC Docket No. 02-60, Annette Island Service Unit Request for Review and Request for Waiver (filed July 23, 2015).

<sup>3</sup> See USAC Rural Health Care Division, "Evergreen Contracts," available at: <http://www.usac.org/rhc/telecommunications/health-care-providers/evergreen-contracts.aspx> (visited Oct. 9, 2015).

<sup>4</sup> *Rural Health Care Support Mechanism*, CC Docket No. 02-60, Annette Island Service Unit Request for Review and Request for Waiver (filed July 23, 2015).

Alaska, with no resulting impact on the applicable urban rate, rural rate, or eligibility of the service for funding. The RHCD denied funding for the portion of the year following the move, based on a finding that Ilanka should have made a separate Form 466 filing for each Cordova address, instead of one covering the entire funding year. While ACS agrees that the RHCD's preferred solution is one possible approach, ACS urged the Bureau to reverse the RHCD's denial of funding based on the *de minimis* nature of the move and the lack of any published RHCD policy informing HCPs of the RHCD's administrative requirements in connection with mid-year changes in their service locations.

In conjunction with this discussion, ACS urged the Bureau to work with the RHCD to develop and publish an operating procedure to govern HCP location changes, in order to avoid future filing and funding issues.

In accordance with the Commission's rules, this notice is being filed electronically in the above-referenced docket. Should you have any questions, please contact the undersigned at (202) 230-4962 or [Richard.Cameron@acsalaska.com](mailto:Richard.Cameron@acsalaska.com).

Very truly yours,

Richard R. Cameron  
Consultant